

**COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)**

**City of Millville, New Jersey
2015-2016**

**Program Guidelines for
Community and Neighborhood Development**

I. OVERVIEW

The City has been receiving funds since the program was initiated in 1975. To be an eligible activity, a program must meet one of the three national objectives:

- Directly benefit low and moderate-income persons
- Eliminate slums/blight
- Urgent need (flood, earthquake, etc.)

No more than 15% of our entitlement can be designated for public services. No more than 20% of our entitlement can be designated for planning and general administration. At least 70% of the funds must be expended for activities that directly benefit low and moderate-income persons. The City has traditionally used the majority (55%) of the CDBG funds to operate the housing rehabilitation programs.

II. Goals and Mission

The purpose of the community and neighborhood development program is to leverage all available resources and partnerships to make Millville a viable urban community by providing decent, affordable housing and a suitable living environment for low and moderate income residents. The CDBG office will work with nonprofit community and neighborhood groups and associated residents, neighborhood partners, public service agencies to plan, develop, and invest in projects contributing to the 2015-2019 objectives of the CDBG Consolidated Plan.

Every five years, the US Department of Housing and Urban Development (HUD) requires CDBG-funded communities to complete a Consolidated Plan. This plan reflects the strategic priorities of the City's program and allocated resources to achieve the goals. Copies of the Five Year Plan are available for public review in the CDBG office and on the City website. All funded projects must reflect the goals and priorities of the Five Year Plan.

III. Primary CDBG Goals and Programs

The primary CDBG goals and programs reflect the City's preferences for the expenditure of CDBG resources. These preferences are based upon input and assessment by community members of the needs of our low and moderate income population.

A.	Public Services	Day Care	Prevention of Homelessness
		Arts Education	Public Information
		Handicapped Assistance	Crime Prevention
B.	Housing	Owner-occupied Rehab	Artist Housing
		Emergency Repairs	Acquisition
		Age-restricted Rental Housing	

Residential Façade Improvements

C.	Public Facilities	Public Art & Beautification Neighborhood Centers
D.	Strengthening our Neighborhoods	Community Capacity Building Community Leadership Nonprofit Technical Assistance Neighborhood Plans Neighborhood Special Projects
E.	Business Development/Jobs	Façade Grants Micro Loans Revolving Loan Fund

IV. PROGRAM YEAR ACTIVITIES

Each year, a new CDBG program is developed based upon input received from the public hearings, interested citizens and local agencies. Under the Consolidated Planning Process, the city has an Advisory Committee that meets in the beginning of the calendar year to provide input as to community needs. The needs are then prioritized to reflect community concerns. The public hearings are just one means of obtaining viewpoints and information on the types of programs that are being operated in the community and the level of need for these programs.

The City accepts proposals from eligible CDBG service providers in March of each year. The proposals must be completed and presented the first CDBG Public Hearing. This is the only time of the year in which the City accepts applications. An application must be submitted each program year to receive a CDBG funding allocation.

All projects must conform to the US Department of HUD's criteria for the expenditure of CDBG funds Projects must:

- Service low and moderate income persons
- Utilize minority business enterprises
- Promote affirmative action, non-discrimination and equal opportunity in each of the assisted programs
- Comply with physical accessibility standards
- Minimize negative environmental impacts
- Reduce lead paint hazards
- Minimize displacement in acquisition or rehab projects
- Promote the goal of fair housing and fair housing choices
- Adhere to the constitutional and regulatory provisions of separation of church and state and avoidance of public funding of inherently religious activities

V. Checklist for Submission of CDBG Proposal

- Proposal summary/application

- Letter of Transmittal
- Estimated number of program beneficiaries
- Amount requested
- Copy of IRS 501 (c)(3) determination
- Copy of IRS 990 – last filed report
- Description of any matching funds
- List of Board of Directors

The proposal qualifications and process are included in this package along with the 2014 HUD Income Limits used to determine the eligibility of program beneficiaries (Appendix B). In general, the timeframe and steps in the process include:

- | | |
|--|---------------|
| 1. Review of City's Funding Preferences and Program Objectives | February |
| 2. Preparation of proposal | Feb-March |
| 3. Submission of proposal | Mar. 20, 2015 |
| 4. Review by Millville CDBG Staff | March |
| 5. Recommendation by Staff to City Commission | April |
| 6. Approval by City Commission | May |
| 7. Execution of Subrecipient Agreements and review & documentation | May |
| 8. Release of initial drawdown | Sept-October |
| 9. Subrecipient monitoring | Oct-May |
| 10. Release of final drawdown funds | May 30, 2016 |

VI. BUDGET

The CDBG budget for each program year is designated after proposals are received from local public service agencies. The City must operate within the above noted constraint of 15% of our total grant award for public services.

In addition to CDBG funds, the City receives approximately \$165,000 from the HOME program. These funds have been utilized to provide housing rehabilitation and acquisition funds citywide and to assist AHOME. This year, the city will be contributing our HOME funds to Habitat for Humanity for development of affordable housing.

VII. TIMEFRAME FOR ACTION PLANNING

After the public hearing is held, the staff will recommend a budget to the Mayor and city commission. The timetable for adoption and submissions is shown below:

- | | |
|---|-------------------------|
| Public Hearing #1 | March 5, 2015 at 5 PM |
| Develop Draft of 2015 Program Year and Budget | by March 30, 2015 |
| Request Public Input | March 30-April 28, 2015 |
| Public Hearing #2 | April 30, 2015 at 5 PM |
| Commission Approval | May 5, 2015 |
| Submit to HUD | May 15, 2015 |

**CDBG ENTITLEMENT
1975-2014**

1975	\$78,000
1976	\$173,000
1977	\$294,000
1978	\$339,000
1979	\$363,000
1980	\$386,000
1981	\$373,000
1982	\$322,000
1983	\$329,000
1984	\$351,000
1985	\$349,000
1986	\$297,000
1987	\$298,000
1988	\$283,000
1989	\$294,000
1990	\$279,000
1991	\$314,000
1992	\$331,000
1993	\$374,000
1994	\$408,000
1995	\$409,000
1996	\$399,000
1997	\$392,000
1998	\$380,000
1999	\$383,000
2000	\$381,000
2001	\$396,000
2002	\$388,000
2003	\$361,000
2004	\$353,000
2005	\$334,083
2006	\$300,471
2007	\$309,841
2008	\$299,409
2009	\$304,896
2010	\$326,751
2011	\$269,469
2012	\$254,083
2013	\$254,083
2014	\$236,250

Technical Appendix

2015 Community Development Block Grant City of Millville, NJ

- Appendix A. Summary of Eligible and Ineligible CDBG Activities
- Appendix B. 2015 CDBG Income Guidelines
- Appendix C. Map of CDBG Target Area

Appendix A.

SUMMARY OF ELIGIBLE AND INELIGIBLE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ACTIVITIES

CODE OF FEDERAL REGULATIONS, TITLE 24 570.200 – 207 REGULATIONS FOR ENTITLEMENT CDBG PROGRAM SUMMARY

This is a summary of the activities that are eligible and ineligible for assistance under the Community Development Block Grant (CDBG) Program pursuant to the governing regulations of the Code of Federal Regulations, Title 24, Part 570, Sections 570.200-570.207. This summary is based upon the Final Rules published in March 1996.

General Policies - 570.200

The primary objective of the CDBG Program is the development of viable communities, by providing decent housing and sustainable living environment, and expanding economic opportunities, principally for persons of low and moderate-income. Funds must be used so as to give maximum feasible priority to activities that will carry out one of the three broad national objectives of: benefit to low and moderate-income families, aid in the prevention or elimination of slums or blight, or activities that meet an urgent community need due to existing conditions that pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. At least 70% of the total CDBG funds must be used for activities that benefit low and moderate-income persons; and at least 51% of the beneficiaries of the individual activities must be low and moderate-income persons.

Basic Eligible Activities - 570.201

CDBG funds may be used for the following activities:

(a) Acquisition. Acquisition in whole or in part by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose.

(b) Disposition. Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property.

(c) Public facilities and improvements. Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except buildings for the general conduct of government. Activities may include:

- Removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements;
- Design features and improvements that promote energy
- Architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance

- Eligible facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims.

(d) Clearance activities. Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites. Demolition of HUD-assisted or HUD-owned housing units may be undertaken only with the prior approval of HUD.

(e) Public services. Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, homebuyer down payment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must meet each of the following criteria:

- A new service or a quantifiable increase in the level of an existing service above that which has been provided with State and Local funds in the previous 12 calendar months ; and
- The amount of CDBG funds obligated for public services shall not exceed 15 percent of the annual grant, and 15 percent of program income received during the immediate proceeding program year.

(f) Interim assistance. Activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where immediate action is and where permanent improvements will be carried out as soon as practicable in order to alleviate emergency conditions threatening the public health and safety in areas where an emergency condition exists and requires immediate resolution.

(g) Payment of non-Federal share. Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities.

(h) Urban renewal completion. Payment of the cost of completing an urban renewal project funded under title I of the Housing Act of 1949 as amended

(i) Relocation. Relocation payments and other assistance for permanently and temporarily relocated individuals' families, businesses, nonprofit organizations, and farm operations.

(j) Loss of rental income. Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.

(k) Housing services. Housing services such as tenant counseling in connection with tenant-based rental assistance and affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act.

(l) Privately owned utilities. CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.

(m) Construction of housing. CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.

(n) Homeownership assistance. CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act

- To subsidize interest rates and mortgage principal amounts;
- To finance the acquisition of owner-occupied property;

- To acquire guarantees for mortgage financing obtained from private lenders, but not to guarantee such mortgage financing directly;
- To provide up to 50 percent of any required down payment;
- To pay reasonable closing costs.

(o) Facilitate economic development. CDBG funds may facilitate economic development by:

- Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of micro enterprises;
- Providing technical assistance, advice, and business support services to owners of micro enterprises and persons developing micro enterprises; and
- Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of micro enterprises and persons developing micro enterprises.

(p) Technical assistance. Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities.

(q) Assistance to institutions of higher education. Provision of assistance to institutions of higher education if such institution has demonstrated a capacity to carry out eligible activities.

Eligible rehabilitation and preservation activities - 570.202

(a) Types of buildings and improvements eligible for rehabilitation assistance. CDBG funds may be used to finance the rehabilitation of:

- Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;
- Low-income public housing and other publicly owned residential buildings and improvements;
- Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvements to the exterior of the building and the correction of code violations;
- Nonprofit-owned nonresidential buildings and improvements
- Manufactured housing when such housing that is part of the community's permanent housing stock.

(b) Types of assistance. CDBG funds may be used to finance the following types of activities, and related costs:

- Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;
- Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures, which may be undertaken singly, or in combination;
- Loans for refinancing existing indebtedness secured by a property being rehabilitated;

- Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;
- Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;
- Connection of residential structures to water distribution lines or local sewer collection lines;
- For rehabilitation carried out with CDBG funds, costs of: Initial homeowner warranty premiums; Hazard insurance premiums, except where assistance is provided in the form of a grant; and Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973; and Procedures concerning inspection and testing for and abatement of lead-based paint.
- Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;
- Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities
- Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937;
- Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section.

(c) Code enforcement. Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.

(d) Historic preservation. CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government.

(e) Renovation of closed buildings. CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.

(f) Lead-based paint activities. Lead-based paint activities as set forth in part 35 of this title.

Special economic development activities - 570.203

A recipient may use CDBG funds for special economic development activities as part of an economic development project. The recipient must ensure that the appropriate level of public benefit will be derived before obligating funds. Special activities authorized under this section do not include assistance for the construction of new housing. Special economic development activities include:

(a) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions.

(b) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project.

(c) Economic development services include, but are not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

Special activities by Community-Based Development Organizations (CBDOs). - 570.204

(a) Eligible activities. CDBG funds may be used by CBDO to carry out a neighborhood revitalization, community economic development, or energy conservation project, including:

- Activities listed as eligible; and
- Activities not otherwise listed as eligible - excluding buildings for the general conduct of government business, general government expenses, and political activities.

(b) Activities must: (1) meet the public service requirements, although services specifically designed to increase economic opportunities through job training and placement and other employment support services; (2) meet the requirements of the guidelines for evaluating and selecting economic development project under Section 570.209; and (3) must not result in the recipient exceeding the 20% limit on planning and administrative costs.

(c) Eligible Entities are:

- Non-profit or for-profit organizations engaged in community development activities primarily within an identified geographic area and whose primary purpose is the improvement physical, economic and social environment;
- Section 301 (d) Small Business Investment Companies; including those which are profit making; State or local Development Companies; or Community Housing Development Organizations (CHDOs);
- Organization similar in purpose, function and scope.

Program Administration Costs - 570.206

(a) Reasonable costs of overall program management, coordination, monitoring and evaluation, including:

- Staff salaries, wages, and related costs;
- Travel costs;
- Administrative services such as legal, accounting and audit services performed under third-party contracts; and
- Other goods and services required for the administration of the program.

(b) Provision of information and other resources to residents and citizens organizations

(c) Provision of fair housing services

(d) *Removed and Reserved*

(e) Indirect costs

- (f) Preparation of applications for Federal program
- (g) Necessary administrative expenses in planning or obtaining financing for housing units which are identified in the HUD approved Housing Application Plan
- (h) Overall program management of the Rental Rehabilitation and Housing Development programs.
- (i) Overall program management of:
 - A Federally designated Empowerment Zone or Enterprise Community; and
 - The HOME program under Title II of the Cranston-Gonzalez Affordable Housing Act

Ineligible activities - 570.207

The general rule is that any activity that is not authorized under the provisions of §§570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

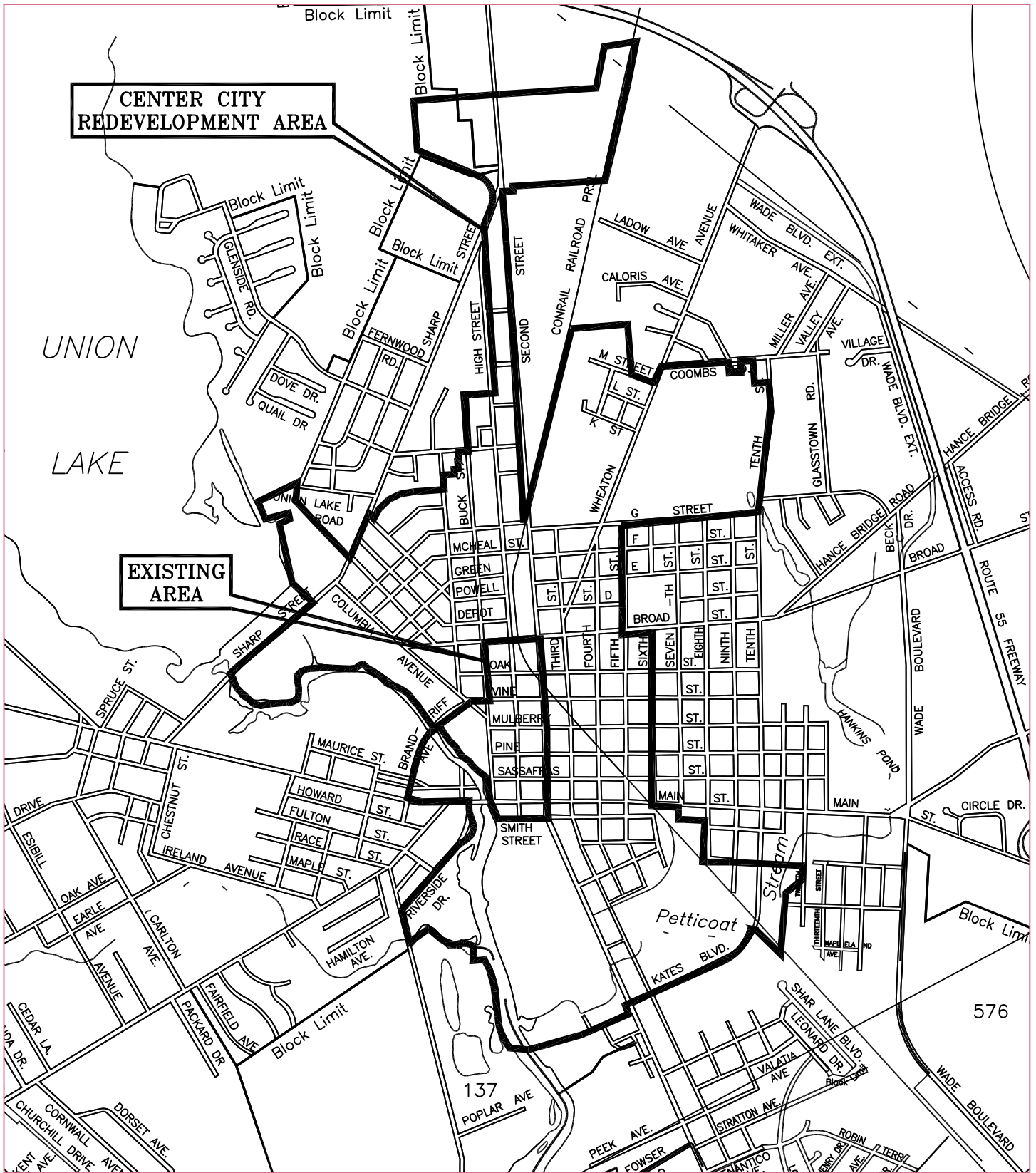
- (a) The following activities may not be assisted with CDBG funds:
 - Buildings or portions thereof, used for the general conduct of government
 - General government expenses;
 - Political activities.
- (b) The following activities may not be assisted with CDBG funds unless carried out as a special economic development activity, or as a public service, or by an eligible community-based development organization, or by the recipient as specifically authorized.
 - Purchase of equipment;
 - Construction equipment;
 - Fire protection equipment. Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under §570.201(c);
 - Furnishings and personal property;
 - Operating and maintenance expenses;
 - Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities;
 - New housing construction;
 - Income payments.
 - Except when carried out as a special economic development activity, or as a public service or by an eligible community-based development organization, or by the recipient as specifically authorized.


Appendix B. 2014 CDBG Income Guidelines

FY 2014 Income Limit Area	Median Income	FY 2014 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Vineland- Millville- Bridgeton, NJ MSA	\$59,700	Very Low (50%) Income Limits (\$)	22,100	25,250	28,400	31,550	34,100	36,600	39,150	41,650
		Extremely Low (30%) Income Limits (\$)*	13,300	15,730	19,790	23,850	27,910	31,970	36,030	40,090
		Low (80%) Income Limits (\$)	35,350	40,400	45,450	50,500	54,550	58,600	62,650	66,700

Appendix C

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sheet	job no.	title	designed by		Engineering Department	no. revisions	date	drawn
1	1	REDEVELOPEMENT AREA MAP #2	JHK		City of Millville			
	date		drawn by		Cumberland County, New Jersey 08332			
	FEB. 2003	CENTER CITY REDEVELOPEMENT AREA	NBT					
	scale		checked by	JHK				